

LAND & LIBERTY

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"THE FAILURE OF CAPITALISM"

The present century has been marked by a prodigious increase in wealth-producing power. The utilization of steam and electricity, the introduction of improved processes and labour-saving machinery, the greater subdivision and grander scale of production, the wonderful facilitation of exchanges, have multiplied enormously the effectiveness of labour.

At the beginning of this marvellous era it was natural to expect, and it was expected, that labour-saving inventions would lighten the toil and improve the condition of the labourer; that the enormous increase in the power of producing wealth would make real poverty a thing of the past. Could a man of the last century—a Franklin or a Priestley—have seen, in a vision of the future, the steamship taking the place of the sailing vessel, the railroad train of the waggon, the reaping machine of the scythe, the threshing machine of the flail; could he have heard the throb of the engines that in obedience to human will, and for the satisfaction of human desire, exert a power greater than that of all the men and all the beasts of burden of the earth combined; could he have seen the forest tree transformed into finished lumber—into doors, sashes, blinds, boxes or barrels, with hardly the touch of a human hand; the great workshops where boots and shoes are turned out by the case with less labour than the old-fashioned cobbler could have put on a sole; the factories where, under the eye of a girl, cotton becomes cloth faster than hundreds of stalwart weavers could have turned it out with their hand-loom; could he have seen steam hammers shaping mammoth shafts and mighty anchors, and delicate machinery making tiny watches; the diamond drill cutting through the heart of the rocks, and coal oil sparing the whale; could he have realized the enormous saving of labour resulting from improved facilities of exchange and communication—sheep killed in Australia eaten fresh in England, and the order given by the London banker in the afternoon executed in San Francisco in the morning of the same day; could he have conceived of the hundred thousand improvements which these only suggest, what would he have inferred as to the social condition of mankind?

It would not have seemed like an inference; further than the vision went, it would seem as though he saw; and his heart would have leaped and his nerves would have thrilled, as one who from a height beholds just ahead of the thirst-stricken caravan the living gleam of rustling woods and the glint of laughing waters. Plainly, in the sight of the imagination, he would have beheld these new forces elevating society from its very foundations, lifting the very poorest above the possibility of want, exempting the very lowest from anxiety for the material needs of life; he would have seen these slaves of the lamp of knowledge taking on themselves the

traditional curse, these muscles of iron and sinews of steel making the poorest labourer's life a holiday, in which every high quality and noble impulse would have scope to grow.—*Henry George, PROGRESS AND POVERTY.*

Mr. Philip Snowden has been highly praised for his speech in the House of Commons last month, alike by co-workers and opponents, on the question of the existing capitalist system *versus* socialism. The debate, which stands adjourned till after the Easter recess, secured a good Press. In fact, there has been nothing like it in our home politics since, in 1910, Form IV. turned the country from end to end into a debating society for the Taxation of Land Values.

The Motion was in the following terms (HANSARD, 20th March):—

"That in view of the failure of the capitalist system adequately to utilize and organize natural resources and productive power, or to provide the necessary standard of life for vast numbers of the population, and believing that the cause of this failure lies in the private ownership and control of the means of production and distribution, this House declares that legislative effort should be directed to the gradual supersession of the capitalist system by an industrial and social order based on the public ownership and democratic control of the instruments of production and distribution."

It was put down, Mr. Snowden said, as a direct challenge to the holders and defenders of the capitalist system. He hurriedly glanced at the land question and summarized a telling passage in the opening statement of *PROGRESS AND POVERTY*, which we have quoted above; he spoke with emphasis on the unbalanced condition of society, especially as it affects the workers in the matter of employment, wages, housing, etc. Eighty-eight per cent of the wealth of the country, he declared, is owned by two and a half per cent of the population, and five out of every six persons who die leave not a penny behind them. Though not by any means new it is a damning indictment, a challenge to the system that engendered it, and one that Parliament must now deal with. It is idle to blame the Socialists for bringing the problem to the House of Commons. The mischief lies outside in the poverty-stricken condition of the people who now possess the vote, and who have been taught by constitutional usages where to look for redress of their grievances.

The former representation has failed to do any kind of justice to the workers, and they have fashioned a party of their own. How it arose, and how it has assumed the place in Parliament but recently held by the Liberals, is now a well-known chapter in our political history.

In the name of the Labour Party Mr. Snowden and his Socialist colleagues are out to destroy the capitalist system, which we take to be a combination of landlordism and massed capital organization. In this diagnosis there is nothing said about the millions of working capitalists, whose status is ever at the mercy of landlordism and the lesser monopolies to be met at every point in the processes of production and distribution. There is no clear definition or classification. But it is true nevertheless that capital, like its major term, wealth, is a derivative and not a dominant factor in production. Land is the dominant factor. Capital is the servant of society, never its master. It owes its existence to labour, and without the care

and attention of labour, even what does exist, however organized, would speedily enough disappear. And that being so, how it or its organization can, apart from monopoly, injure labour is a mystery which so far has not been explained. To talk of a partnership between the monopoly of the source of all wealth and well-being, and the fruits of honest labour as the fundamental cause of social injustice is like linking the lion and the lamb together in the search for something to eat.

It may suit Mr. Snowden, and his Socialist friends, to ignore the distinction between the "capital" that nature freely supplies—land—and the capital that is the work of man's hands; but the distinction is there, and nothing but confusion and disaster can result from any step in legislation that would pass it over, or seek to minimize its significance. Mr. Snowden's intentions in this regard may be excellent enough in their way, but nature does not judge our intentions, only our actions.

Again we read: "Private enterprise and private landlordism have failed."

There is of course no argument advanced in support of this indictment of private enterprise, yet we were not in the least surprised to find further on in the speech one that goes flatly to contradict what goes before, and which puts private enterprise in its due and proper place, not as the partner of landlordism but its supplicant and slave:—

"Take land (said Mr. Snowden). A man must have access to land, and land being owned by certain individuals they possess the power to say whether any other individuals—landless men—shall have access to the land or not, and they also have the power to say, and do so in effect, that these men shall have access to the land only in the terms which the landlord dictates, and the terms he dictates are that the produce of the land shall go to the landlord, everything which the land produces above just sufficient to keep the cultivation of the land alive."

It is well said; but what part private enterprise plays in this socialist setting, except to stand up to the terms the landlord dictates is difficult to understand.

In reply to the question: What is your remedy? Mr. Snowden answered:—

"We propose no revolution, and we do not propose, and I certainly always will resent any proposal of confiscation," and again: "We are not advocates of confiscation or of resort to force, and though I am speaking for myself, I think I shall carry the approval of all members of my party when I say that we want no further step forward until the previous step which we took has been justified by itself."

What does it all mean? There is to be no revolution, no "all at once" demand. Nothing but a step at a time (a most commendable doctrine), and there is to be no confiscation. Very well, take land. What is to be the first step, and how is it to be taken? No confiscation implies compensation. If Mr. Snowden has another explanation of what he means to be at, let him put it forward. If he means what he seems to say, what is the policy? Is it to be compensation to the landlord for denying him the privilege of taking from the cultivator everything above a bare living, and if so what are the terms offered us in the name of Socialism?

Take the coal mines as an illustration. During the past ten years, we are officially informed,

the owners of our coal-bearing land have taken £60,000,000 out of the business in royalties, dead rents and way-leaves. Has Mr. Snowden the miners' word for it that they will back him up in a policy that would compensate the owners of this mineral-bearing land, which is there apart from any human effort or sacrifice, if and when Socialism takes the step necessary to socialize the industry? Has he even the undivided approval of the Labour Party in such a financial experiment?

That there is money in it for the possessing classes, who, through monopoly, batten on the earnings of industry and enterprise, may be of some interest to them, but we doubt if it will flatter the vanity of the worker, impressed with the notion that he should be free to take even more than one step at a time, if he cares to, without payment to any vested interest.

Mr. Snowden says he will resent any proposal of confiscation. If he is out for capital for any special purpose no one can rightly complain of his promise to pay, but he is obviously looking for trouble for himself and his party when he seeks to identify capital with land in the existing legalised robbery of labour.

Mr. Snowden graciously admits that "sympathy with the suffering multitude is not the monopoly of the Socialist Party." That can be accepted without question. We have a common humanity, and if sympathy could bring employment, wages, food and shelter, to those in want of such blessings the problem to be solved would never have arisen. There is sympathy all around, and in overflowing abundance; what is wanting is that one hour of justice worth seventy years of prayer.

But let us get away from this academic Parliamentary debate, for in any crisis words were ever a poor enough substitute for deeds. What are the positive proposals regarding unemployment and housing? That is the prime consideration. Whatever happens in Parliament the people are thinking and talking in these terms. The practical cure for these two evils, and not the question of any abstract ideal state should suggest, if it does not direct, the step to be taken at this time.

As to employment, the natural resources are still available, and to harness them to the needs of the day we do not require to wait on Europe settling down. As an up-to-date newspaper "special correspondent" remarks: "Too little attention is given to the opportunities which exist for fostering trade within our own boundaries," and may we add that a second like unto this reflection is: too little attention is given to obstacles in the way of getting at the opportunities.

The Government schemes of road making and mending, which meet with the approval of all three parties in the State (or is it four, not to forget the National Liberals?—or five, if we include the Diehards in the Tory Party?), are already discovered as a species of outdoor bonus to the landowners of the territory affected. Without the Taxation of Land Values such schemes, like all development but harden the basic monopoly, raise land prices and rents, lead to speculation in future increase in land value, and in that way menace the enterprise that would take the next step towards the ideal Co-operative Commonwealth.

The Taxation and Rating of Land Values and the untaxing of houses and improvements is a proposal that occupies pages of the Labour SPEAKERS' HANDBOOK issued last year in connection with the recent General Election campaign. There we read :

"If we are to encourage housing and the better development of our cities, we must remove the rate burdens which now fall so heavily upon such undertakings. In order to attain this end, the Labour Party advocates the policy of rating land values. Such a policy, if adopted, would not only relieve housing and improvements, but would bring idle land in and around towns into use, and so mitigate the evils of congestion."

Nor is the case for this positive policy that would open up the land for development and stimulate housing confined to the SPEAKERS' HANDBOOK—it is to be found in other Labour Party publications. Nearly 100 Labour members are publicly pledged to its support, and the general secretary of the Labour Party, Mr. Arthur Henderson, M.P., but yesterday gave it a prominent place in his platform at the Newcastle by-election. All this and more can be said, yet the policy in Parliament is ignored or pushed aside by Labour leaders, and time and enthusiasm given to something that is as far removed from the things that count as the east from the west.

When the debate on Mr. Snowden's Motion is resumed the Liberal Party, or the section of that which acknowledges Mr. Asquith as its leader, have an amendment which declares that existing evils can and should be remedied "not by such revolutionary changes but by opening up natural resources and liberating enterprise under a system of taxation which does not penalise improvement, but offers to all equality of opportunity." The "political correspondent" of the WESTMINSTER GAZETTE, the recognized official Liberal newspaper, takes this as an indication of how Liberal thought on the industrial problem is getting into tune with the working-class movement and how the growing urgency of the Taxation of Land Values is asserting itself.

Truly, the signs of the times indicate that the policy is coming into its own again in our politics. Let us do what we may to hasten the occasion. In all parties there are some for this positive policy and some against. There is no such division in our camp and unity means strength. We can all pull together and pull our best, free from the friction of opposing opinion. The step we propose involves neither confiscation nor compensation. It simply makes for the economic deliverance of industry and enterprise, whether private or public, from the shackles of monopoly. In other words it is a step in the direction of that freedom which will ultimately put the State in its proper place, not as the controller of human life and aspiration but as the presiding authority over all other interests held in common in a society such as ours. The Taxation of Land Values is a step that will put new life into the community. The principle is in practice in many places and its beneficence is not in dispute. J. P.

Edinburgh Trades' Council last evening, after a vote had been taken, decided not to affiliate with the Land Nationalization Federation on the ground that the Federation's policy included compensation to the landowners.—EDINBURGH EVENING NEWS, 21st March.

It is said that the Taxation and Rating of Land Values is confiscation and robbery of a very mean kind, because the landowning class is made up of a very large number of small owners.

Yes, they are very small owners, and because they use their land well they are being very heavily rated and taxed for the benefit of the larger owners who are waiting for their price.

If commodities were held for a rise in value as land is, most of them would perish quickly. And in the case of those which might be of a more enduring character, competition to share in the higher prices would soon put an end to the scarcity. Land cannot be reproduced, and for that reason it is folly to compare two such dissimilar things.—FRED SKIRROW.

From the land all the good things come. Somebody must own the land. Those who own it must have the distribution of its revenues. If these revenues be chiefly distributed amongst the people from whose labour they arise, and in such a way as to afford to them a good maintenance on easy terms, the community must be happy. If the revenues be alienated in very great part; if they be carried away to a very great distance, and expended amongst those from whose labour no part of them arise, the main body of the community must be miserable; poor-houses, jails, and barracks must arise.—*From A HISTORY OF THE PROTESTANT REFORMATION by William Cobbett.*

QUESTIONS IN PARLIAMENT

(For other questions see page 72)

THE FORTHCOMING HOUSING BILL, RATE-RELIEF FOR NEW HOUSES AND LAND VALUE RATING 20th March

Mr. MARDY JONES asked the Prime Minister whether the Government proposes to introduce a Rating Bill during the present Session; and, if so, will he extend the scope of the Bill so as to make mining royalties and ground rents liable to local rates?

The PRIME MINISTER: I am not at present in a position to make any statement as to the introduction of the proposed Bill or as to its contents.

Mr. WELLS asked the Minister of Health whether he will consider the desirability of legislation granting exemption from rates and taxes to the end of March, 1926, all houses built, or building during the present year, thereby encouraging the building of more houses, without creating a considerably increased charge on the State or local authorities?

Mr. CHAMBERLAIN: I shall hope to deal with this question fully when I introduce the Housing Bill.

21st March

Mr. LAMBERT asked the Minister of Health whether, in future housing legislation, he will, in preference to the encouragement of building by public authorities, give facilities to private builders and owners, by relieving newly-built houses of rates for a period, and by advancing money to potential house-builders on easy terms?

Mr. CHAMBERLAIN: I have given these suggestions my full consideration and will make a statement in regard to them on the Second Reading of the Housing Bill.

Mr. DARBISHIRE asked the Minister of Health if he is aware that a great impetus to house-building has been given in New York as a result of legislation for rating and taxation of land values; and if he will introduce similar legislation here, as requested by several municipal authorities in this country?

Mr. CHAMBERLAIN: I am not aware that house-building in New York has received an impetus in consequence of the imposition of a tax on land values. As regards the second point, I can only refer to the reply given by the Prime Minister last week to a question by the hon. Member for North Dorset (Mr. Emlyn Jones).

SMALL HOLDINGS IN SCOTLAND 22nd March

Captain ELLIOT said, in reply to Mr. D. MILLAR, that the numbers of agricultural holdings in Scotland exceeding one acre and not exceeding 50 acres, as returned on 6th June, 1913 and 3rd June, 1922, were respectively 51,347 and 50,278.

[So that in spite of all the costly schemes for settling small holders on the land, the number of holdings has actually declined.—EDITOR, L. & L.]